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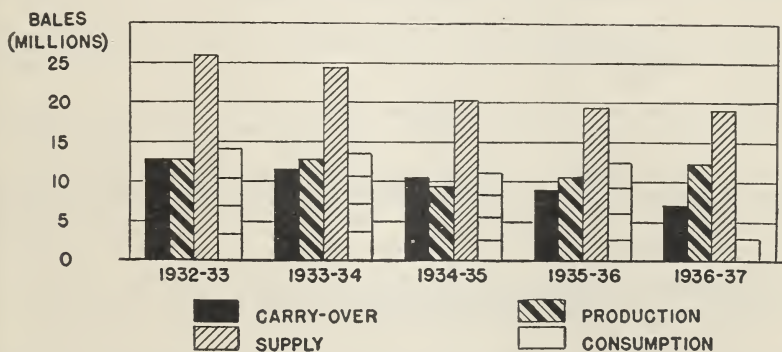
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# COTTON

## Questions and Answers

(Prepared by the Southern Division)

**T**HE QUESTIONS and answers concerning cotton which are contained in this leaflet are for use by farmers in connection with the 1937 agricultural conservation program. It is believed that they will be found helpful in reaching conclusions as to the acreage of cotton which should be grown in 1937. The acreage should be sufficient to afford an adequate supply, but should not be so large as



**AMERICAN COTTON:** Production, world supply, world carry-over, and world consumption, 1932-33 to 1936-37. Data on consumption are from the New York Cotton Exchange Service. 1936-37 are preliminary estimates.

to produce excessive surpluses that would jeopardize the cotton farmers' income by breaking prices. The desirable acreage should also make possible a trend away from one-crop exploitation of soil and toward conservation of soil fertility for the long-time benefit of producers and consumers.

County agents, teachers, and discussion leaders have in their possession cotton charts 1, 2, 3, and 4 which give United States and world cotton statistics in detail. Table 4, page 11 in this leaflet is of value for giving one a composite picture of cotton statistics for the past 5 years; the graph on page 12 is useful too because it shows the relationship of American supply and world supply to farm price.

**NOTE.**—The statistical data contained in this leaflet were largely obtained from the Bureau of Agricultural Economics.

### I. MILL CONSUMPTION

#### United States Consumption of American Cotton.

1. What was the United States consumption of American cotton for 1935-36?

About 6,221,000 bales.

2. How does the 1935-36 consumption compare with the domestic consumption of American cotton in previous years?

It is almost 1,000,000 bales above the consumption in 1934-35 and is about 294,000 bales above the average consumption for the 10-year period, 1923-24 through 1932-33.

3. What was the lowest and the highest annual domestic consumption of American cotton since 1920-21?

Lowest about 4,700,000 bales in 1920-21; highest about 6,900,000 bales in 1926-27.

#### Foreign Consumption of American Cotton.

4. What was the foreign consumption of American cotton for 1935-36?

About 6,455,000 bales.

5. How does the 1935-36 foreign consumption compare with the foreign consumption of American cotton in previous years?

It is about 360,000 bales above the foreign consumption in the 1934-35 season and is about 1,100,000 bales below the average foreign consumption of American cotton for the 10-year period, 1923-24 through 1932-33?

6. What was the lowest and the highest annual foreign consumption of American cotton since 1920-21?

Lowest about 5,400,000 bales in 1920-21; highest about 8,900,000 bales in both the 1926-27 and the 1927-28 seasons.

#### World Consumption of American Cotton.

7. What was the world consumption of American cotton for 1935-36?

About 12,676,000 bales.

8. How does the 1935-36 world consumption of American cotton compare with the world consumption of American cotton in previous years?

It is about 1,340,000 bales above the world consumption of American cotton in 1934-35, but it is about 800,000 bales below the average world consumption of American cotton for the 10-year period 1923-24 through 1932-33.

9. What was the lowest and the highest annual world consumption of American cotton since 1920-21?

Lowest about 10,000,000 bales in 1920-21; highest about 15,800,000 bales in 1926-27.

**World Consumption of Foreign Cotton.**

10. What was the world consumption of foreign cotton for 1935-36?  
About 14,123,000 bales.

11. How does the 1935-36 world consumption of foreign cotton compare with world consumption of foreign cotton in previous years?

It is about 230,000 bales greater than the consumption in 1934-35, and it is about 4,000,000 bales greater than the average for the 10-year period, 1923-24 through 1932-33.

12. What was the lowest and the highest annual world consumption of foreign cotton since 1920-21?

Lowest about 7,500,000 bales in 1920-21; highest about 14,123,000 bales as estimated in 1935-36.

**World Consumption of All Cotton.**

13. What was the world consumption of all cotton for the 1935-36 season?

About 26,800,000 bales.

14. How does the 1935-36 consumption of all cotton compare with consumption of all cotton in previous years?

It is about 1,600,000 bales above the world consumption of all cotton in 1934-35, and it is about 3,300,000 bales above the average for the 10-year period, 1923-24 through 1932-33.

15. What was the lowest and the highest annual world consumption of all cotton since 1920-21?

Lowest about 17,600,000 bales in 1920-21; highest about 26,800,000 bales in 1935-36.

**Outlook for Consumption of American Cotton.**

16. What are some of the factors that are closely associated with the rate of consumption of American cotton in the United States?

(1) Industrial production; (2) Employment; (3) Payrolls.

The following table contains data which should be helpful in determining the probable influence of these factors on the consumption of American cotton in the United States for the 1936-37 season.

TABLE 1

[1923-25=100]

Year	Index of—			
	United States consumption of American cotton	Industrial production	Factory employment	Pay rolls
First 4 months of 1936-37.....	124	110	94	86
1935-36.....	102	97	88	77
10-year average (1923-24 through 1932-33).....	101	98	99	96



17. What is the outlook for United States consumption of American cotton in 1936-37?

Domestic consumption of American cotton during the first 4 months (August-November) of the present season was 2,424,000 bales compared with 1,884,000 bales for the corresponding period in 1935-36, and 1,960,000 bales, the average consumption for the corresponding period in the 10-year period 1923-24 through 1932-33.

This rate of domestic consumption and upward trends in employment, pay rolls, industrial production, and farm income, and so forth, indicate that domestic consumption for this year may exceed that of last year.

18. What are some of the factors that may influence the consumption of American cotton in foreign countries in 1936-37?

Consumption of American cotton in foreign countries depends to a considerable extent upon (1) general business conditions and expenditures for war supplies, (2) the availability and prices of American cotton in relation to the supply and prices of foreign cottons and competing fibers, and (3) trade arrangements, including reciprocal agreements, foreign-exchange restrictions, and tariffs.

19. What is the outlook for consumption of American cotton in foreign countries in the 1936-37 season?

Consumption of American cotton in foreign countries during the first 4 months (August-November) this season was 1,651,000 bales compared with 2,102,000 bales during the same period last season, and 2,681,000 bales during the 8-year period 1925-26 through 1932-33. (Foreign consumption of American cotton on a monthly basis not available prior to 1925.)

It seems likely that larger supplies of foreign cotton, increased output of competing fibers, and the continued shortage of foreign exchange in some countries, together with tariff, and barter arrangements for the purchase of foreign cotton, will result in decreased consumption of American cotton in foreign countries in 1936-37 as compared with 1935-36. This decrease will tend to offset the expected increase in consumption in the United States.

Cotton producers must remember that the whole crop must be sold in the world market at world prices.

20. What is the outlook for consumption of all cotton in 1936-37?

The following factors indicate a very high level of world consumption of all kinds of cotton in the 1936-37 season:

- (1) If present high rate of domestic mill activity continues through the rest of the season, cotton consumption in the United States in 1936-37 will be materially larger than last season and establish a new high;
- (2) A level of mill activity and cotton consumption in United Kingdom as high or higher than last season, and well up toward the pre-depression average;
- (3) Some slight or moderate improvement on the continent of Europe, especially in those countries which have recently devalued their currencies; and

- (4) As large or perhaps larger consumption than last year in the Orient as a result of prospects for a continued heavy consumption of cotton in Japan and India and the recent considerable improvement in the Chinese cotton textile industry.

## II. CARRY-OVER

### World Carry-Over of American Cotton.

21. What is the world carry-over of American cotton for 1936-37?

On August 1, 1936, the world carry-over of American cotton was 7,000,000 bales.

22. How does the 1936 carry-over compare with carry-overs of previous years?

This is the smallest carry-over since the carry-over of 6,300,000 bales in the 1930-31 season and is 2,000,000 bales smaller than the August 1, 1935, carry-over, but is almost 1,000,000 bales greater than the average carry-over for the 10-year period from 1923-24 through 1932-33.

23. How does the 1936-37 carry-over compare with the carry-over on August 1, 1932?

It is 6,000,000 bales smaller than the August 1, 1932, carry-over, which was 13,000,000 bales.

24. What carry-over of American cotton will there probably be on August 1, 1937?

If consumption should be the same in the 1936-37 season as in the 1935-36 season, the carry-over will be approximately 6,700,000 bales. However, if consumption for the 1936-37 season is 13,000,000 bales which is a long-time average, the carry-over on August 1, 1937, would be about 6,400,000 bales, which would be 400,000 bales above the average annual carry-over of 6,000,000 bales for the 10-year period 1923-24 to 1932-33.

### World Carry-over of Foreign Cotton.

25. What is the world carry-over of foreign cotton for 1936-37?

About 5,200,000 bales.

26. How does the 1936-37 carry-over compare with the carry-over of foreign cotton in previous years?

It is over 1,000,000 bales greater than the average for the 10-year period 1923-24 through 1932-33, and is about 397,000 bales greater than the 1935-36 carry-over.

### World Carry-Over of All Cotton.

27. What is the world carry-over of all cotton for 1936-37?

It is estimated at 12,200,000 bales.

28. How does this 1936-37 carry-over compare with previous years?

It is about 4,800,000 bales less than the 1932-33 carry-over and is about 1,600,000 bales smaller than the 1935-36 carry-over, but is 2,000,000 bales in excess of the average for the 10-year period of 1923-24 through 1932-33.

### III. PRODUCTION AND YIELD

#### American Cotton.

29. What was the production of American cotton in 1936-37?

It is estimated at about 12,400,000 bales.

30. How does the 1936-37 production compare with production of previous years?

It exceeds the 1934-35 crop by about 2,800,000 bales and the 1935-36 crop by about 1,800,000 bales. Since 1920-21 only three other crops besides these three (1934-35, 1935-36, and 1936-37) have fallen below 13,000,000 bales.

31. What has been the lowest and highest production of American cotton since 1920-21?

Lowest about 7,900,000 bales in 1921-22; highest about 18,000,000 bales in 1926-27.

32. What was the yield of American cotton in 1936?

It was 197.6 pounds per acre as of December 1 estimate.

33. How does the 1936 yield compare with yields of previous years?

It is 11.3 pounds more than the yield in 1935-36 and is 27.7 pounds more than the average for the ten-year period 1923-24 through 1932-33.

34. What was the average yield per acre for the period of the adjustment programs (1933-34, 1934-35, 1935-36, and 1936-37)?

It was 192.0 pounds.

35. How does this yield compare with that of the previous 10-year period?

It is 22.1 pounds more than the 169.9-pound average yield for the 10-year period 1923-24 through 1932-33; it is 55.6 pounds more than the 1923-24 yield of 136.4 pounds, which was the lowest for the period; and it is 19.5 pounds less than the 1931-32 yield of 211.5 pounds, which was the highest for this period.

36. What factors indicate that a higher average yield per acre may be expected since the adjustment program has been in effect?

Some of these factors are:

(1) Cotton acres have been measured under the adjustment program. It has been found that the measured or actual crop acreage is somewhat less than the acreage previously estimated.

(2) With the emphasis that is now placed on soil conservation it is expected that the relatively less productive acreage on a farm will be diverted to soil-conserving uses.

(3) With less acreage and, therefore, relatively more plentiful labor it may be expected that the cotton crop will be cultivated more thoroughly.

(4) The soil-conserving practices which farmers are adopting under the Agricultural Conservation Program should increase the productivity of the land on cotton farms.

#### Foreign Cotton.

37. What is the production of foreign cotton likely to be in 1936-37?

It is estimated to be about 17,500,000 bales.



38. How does the 1936-37 foreign production compare with production of previous years?

It is almost 1,600,000 bales greater than the 1935-36 production; it is about 4,500,000 bales greater than the average for the preceding 5 years (1931 through 1935), and it is about 6,300,000 bales greater than the average for the 10-year period, 1923-24 through 1932-33.

39. What has been the lowest and the highest production of foreign cotton since 1920-21?

Lowest about 7,500,000 bales in 1921-22; highest about 17,500,000 bales as estimated for 1936-37.

#### **All Cotton.**

40. What is the world production of all cotton likely to be in 1936-37?

About 29,900,000 bales.

41. How does the production in 1936-37 compare with world production of previous years?

It is about 3,400,000 bales more than the 1935 production and it is about 4,300,000 bales greater than the average world production for the 10-year period, 1923-24 through 1932-33.

42. What has been the lowest and highest production of cotton since 1920-21?

Lowest about 15,400,000 bales in 1921-22; highest about 29,900,000 bales as estimated for 1936-37.

#### **IV. SUPPLY**

##### **American Cotton.**

43. What is the estimated supply of American cotton for 1936-37?

About 19,400,000 bales.

44. How does the 1936-37 supply compare with supplies of American cotton in previous years?

It is about 250,000 bales less than in 1935-36; about 1,000,000 bales less than the average for the 10-year period, 1923-24 through 1932-33; it is 5,200,000 bales less than the supply in 1933-34 (after the plow-up campaign in 1933 prevented the harvesting of approximately 4,500,000 bales), and it is about 6,600,000 bales less than the supply in season of 1931-32 and of 1932-33.

##### **Foreign Cotton.**

45. What is the world supply of foreign cotton for the 1936-37 season?

It is estimated at 22,700,000 bales.

46. How does the 1936-37 supply of foreign cotton compare with supplies in previous seasons?

It is about 2,000,000 bales more than the 1935-36 supply, and it is about 7,350,000 bales greater than the average supply for the 10-year period, 1923-24 through 1932-33.

##### **All Cotton.**

47. What is the world supply of all cotton likely to be for 1936-37?

It is estimated at 42,100,000 bales.

48. How does the 1936-37 supply compare with supplies of all cotton in previous years?

It is about 1,800,000 bales more than the supply in 1935-36, and is about 6,300,000 bales more than the world average supply for the 10-year period, 1923-24 through 1932-33, but it is about 700,000 bales below the world supply in the 1933-34 season. (The potential supply for the 1933-34 season was reduced approximately 4,500,000 bales by the plow-up program.)

### V. VALUE OF AMERICAN COTTON

49. What is the farm price for cotton in 1936-37?

August, 12.2 cents; September, 12.5 cents; October, 12.2 cents; November, 12 cents; December, 12.3 cents.

50. How do these prices compare with the average farm prices of previous years?

In the 1935-36 season it was 11.1 cents; in 1934-35, 12.4 cents; 1933-34, 10.2 cents; 1932-33, 6.5 cents; it was 16 cents for the 10-year period, 1923-24 through 1932-33.

51. What has been lowest and the highest average yearly farm price of cotton since 1920-21?

Lowest 5.7 cents in 1931-32; highest, 28.7 cents in 1923-24.

52. Will the change in supplies of foreign cotton affect materially the price of American cotton?

If supply of foreign cotton should continue to increase relative to American cotton, it would become increasingly influential in determining the world price of all cotton.

53. What is likely to be the cash income from cotton (lint and seed, also including adjustment payments) for 1936-37?

It is estimated at \$970,000,000.

54. How does this cash income in terms of purchasing power compare with cash income of previous years?

This comparison is shown in the following table:

TABLE 2.—Cash income from cotton and its purchasing power

Year beginning Aug. 1	Cash income (in millions of dollars)			Prices paid by farmers (1910-14 = 100)	Purchasing power of total cash income (in millions of dollars)
	Cotton and cottonseed	Benefit payments	Total		
1925-29 (average).....	1,461	-----	1,461	153	955
1930-31.....	751	-----	751	137	548
1931-32.....	528	-----	528	117	451
1932-33.....	464	-----	464	103	450
1933-34.....	716	179	895	118	758
1934-35.....	707	116	823	126	653
1935-36.....	698	161	859	122	704
1936-37 <sup>1</sup> .....	<sup>2</sup> 885	85	970	127	764

<sup>1</sup> Preliminary.

<sup>2</sup> Cash income from seed estimated by Southern Division, Agricultural Adjustment Administration, U. S. Department of Agriculture.

It is noted that the purchasing power of cotton in 1936-37 was \$60,000,000 more than in 1935-36, but \$191,000,000 less than the purchasing power for the 5-year period 1925-26 through 1929-30.

55. How does the purchasing power of the cash income from lint in 1936-37 compare with that of 1910-14?

The estimated cash income from the lint of the 1936-37 crop (including benefit payments) is \$845,386,000 which is equivalent to \$665,-660,000 in terms of purchasing power of the 1910-14 level. The average cash income from lint in the 1910-14 period was \$765,527,000. Therefore, the purchasing power of the cash income from lint in 1936-37 is 15 percent less than it was in the 1910-14 period.

#### VI. ACREAGE IN THE UNITED STATES

56. What is the estimated acreage of cotton to be harvested in 1936-37?

About 30,054,000 acres as estimated December 1, 1936.

57. How does the 1936 acreage compare with the harvested acreage of previous years?

It is about 2,200,000 acres more than the average of 27,860,000 acres harvested during the 3-year period, 1933-34 through 1935-36, and it is almost 10,500,000 acres less than the average of 40,500,000 acres for the 10-year period, 1923-24 through 1932-33.

58. What was the total base acreage for cotton in the United States in 1936-37?

About 44,500,000 acres.

59. What percentage of the total base acreage for cotton was under the 1936 agricultural conservation program?

About 75 percent.

60. Under the provisions of the 1936 agricultural conservation program what was the maximum percentage of the individual farm base acreage of cotton which could be diverted for payment?

Thirty-five percent, except in case of producers whose base acreage was small.

61. What is the maximum percentage of the individual farm base acreage of cotton for which a class I payment will be made for diversion under the 1937 agricultural conservation program?

Thirty-five percent, except for producers with a small base acreage.

62. How much cotton should be grown in 1937 in order to maintain the average supply of American cotton?

A study of table 4, page 11, and the answers to questions 17, 18, 19, and 24 will assist in reaching a conclusion. If it is assumed that consumption during the 1936-37 season will be about 13,000,000 bales, the carry-over would be about 6,400,000 bales as compared to an average carry-over of about 5,300,000 bales for the period 1921-22



through 1930-31. With this carry-over a crop of about 12,000,000 bales in 1937 would give a supply about equal to the average of 18,470,000 bales for the 10-year period, 1921-22 through 1930-31.

63. What acreage of cotton in the United States will be required to produce the number of bales of cotton which you estimate should be produced in 1937?

A study of table 3 below, and answers to questions 29 to 36, inclusive, will be helpful in arriving at the answer to this question. Table 3 shows the estimated acreage which would be required to produce various sized cotton crops under varying yields per acre. For instance, at an estimated yield of 200 pounds per acre 28,680,000 acres are required to produce a 12-million bale crop, and an estimate of 33,460,000 acres at the same yield is required to produce a 14-million bale crop.

64. What percentage of the United States base acreage of 44,500,000 acres is the acreage which you estimate will be required to produce the desired number of bales?

This can be calculated by dividing the acreage which you have decided should be planted in 1937 (see question 63) by the base acreage of 44,500,000 acres and multiplying the result by 100. For instance:  $28,680,000 \div 44,500,000 \times 100 = 64.4$  percent;  $33,460,000 \div 44,500,000 \times 100 = 75.2$  percent.

65. What acreage should an individual producer plant in 1937?

Every cotton producer will answer this for himself, but, as against the disadvantages of a probably smaller cash return on the diverted acres, he should consider carefully the benefits that he may derive from participating in the 1937 agricultural conservation program. Some of the more important benefits are: (1) The farmer receives conservation payments; (2) the diverted acres produce conserving crops that may be used for food and feed stuffs; (3) soil fertility is conserved; (4) the cost of producing cotton on the diverted acres is saved; and (5) a better price for the cotton produced.

TABLE 3.—Harvested acreage required to produce 10 to 15 million bales of cotton at different yields per acre

Yield per acre	Harvested acreage required at varying yields to produce—					
	10 million bales	11 million bales	12 million bales	13 million bales	14 million bales	15 million bales
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>
150 pounds.....	31,870	35,057	38,244	41,431	44,618	47,805
155 pounds.....	30,840	33,924	37,008	40,092	43,176	46,260
160 pounds.....	29,880	32,878	35,856	38,844	41,832	44,820
165 pounds.....	28,970	31,867	34,764	37,661	40,558	43,455
170 pounds.....	28,120	30,932	33,744	36,556	39,368	42,180
175 pounds.....	27,310	30,041	32,772	35,503	38,234	40,965
180 pounds.....	26,560	29,216	31,872	34,528	37,184	39,840
185 pounds.....	25,840	28,424	31,008	33,592	36,176	38,760
190 pounds.....	25,160	27,676	30,192	32,708	35,224	37,740
195 pounds.....	24,510	26,961	29,412	31,863	34,314	36,765
200 pounds.....	23,900	26,290	28,680	31,070	33,460	35,850
205 pounds.....	23,320	25,652	27,984	30,316	32,648	34,980
210 pounds.....	22,760	25,036	27,312	29,588	31,864	34,140
215 pounds.....	22,230	24,453	26,676	28,899	31,122	33,345

TABLE 4.—*Consumption of American cotton; consumption, carry-over, production supply, and acreage of all cotton; and the farm price of United States cotton, for 1932-33 to date, and the 10-year average 1923-24 through 1932-33*

## MILL CONSUMPTION OF AMERICAN COTTON

Item	10-year average 1923-24 through 1932-33	1932-33	1933-34	1934-35	1935-36	1936-37 <sup>1</sup>
United States.....1,000 bales..	5,927	6,004	5,553	5,241	6,221	-----
Foreign countries.....do.....	7,549	8,167	7,981	6,098	6,455	-----
World.....do.....	13,476	14,171	13,534	11,339	12,676	-----

MILL CONSUMPTION OF ALL COTTON <sup>2</sup>

American.....1,000 bales..	13,476	14,171	13,534	11,339	12,676	-----
Foreign.....do.....	10,057	9,812	11,215	13,894	14,123	-----
World.....do.....	23,533	23,983	24,749	25,233	26,799	-----

## CARRY-OVER OF ALL COTTON

American.....1,000 bales..	6,024	12,960	11,588	10,634	9,009	7,000
Foreign.....do.....	4,155	4,071	4,539	5,602	4,803	5,200
World.....do.....	10,179	17,031	16,127	16,236	13,812	12,200

## PRODUCTION OF ALL COTTON

American.....1,000 bales..	14,414	13,003	<sup>3</sup> 13,049	9,636	10,638	12,400
Foreign.....do.....	11,195	10,937	13,651	14,164	15,862	17,500
World.....do.....	25,609	23,940	26,700	23,800	26,500	29,900

## SUPPLY OF ALL COTTON

American.....1,000 bales..	20,438	25,963	<sup>3</sup> 24,637	20,270	19,647	19,400
Foreign.....do.....	15,350	15,008	18,190	19,766	20,665	22,700
World.....do.....	35,788	40,971	<sup>3</sup> 42,827	40,036	40,312	42,100

## ACREAGE OF ALL COTTON

American.....1,000 acres..	40,509	35,891	29,383	26,866	27,335	30,054
Foreign.....do.....	40,361	40,809	45,217	46,734	48,665	-----
World.....do.....	80,870	76,700	74,600	73,600	76,000	-----

## FARM PRICES TO UNITED STATES PRODUCERS

Price of cotton lint per pound.....cents..	16.0	6.5	10.2	12.4	11.1	<sup>4</sup> 12.3
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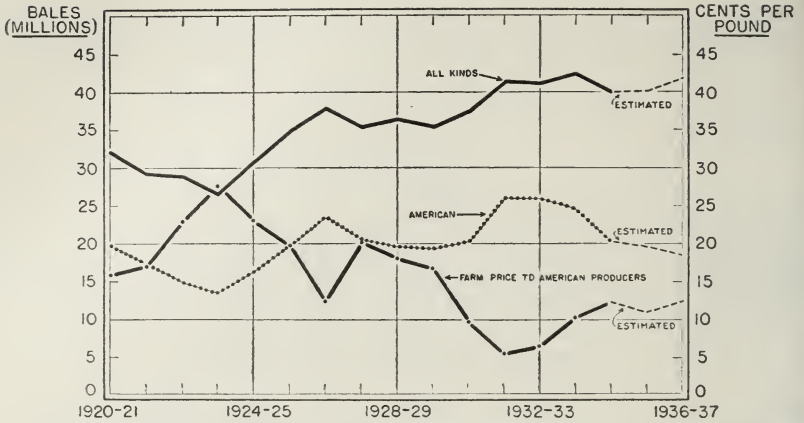
<sup>1</sup> Preliminary.

<sup>2</sup> Mill consumption based on reports of the International Federation except for the United States which are from Bureau of Census reports.

<sup>3</sup> Does not include the 4,500,000 bales taken out of production in the 1933 program.

<sup>4</sup> Average price for crop marketing season to Dec. 1, 1936.





COTTON: Total supply of American, total supply of all kinds, and average farm price to American producers, 1920-21 to 1936-37.